

Minutes Of The Board Of Trustees City Of Cincinnati Retirement System April 6, 2006

Mr. Gray called the meeting to order at 1:30 p.m. with the following members present:

Joe Gray, Secretary
Dan Radford, Chairman
David Rager, City Manager
Joe Harrison
Michael Rachford
Brian Pickering
Marijane Klug
Ely Ryder
Julie Brinker (proxy for John Cranley)

Member/s Absent
Mark Mallory, Mayor

Mr. Gray called for a motion to approve the minutes of the March 2, 2006 Board Meeting. The motion to approve the minutes was made by Mr. Harrison, seconded by Ms. Klug and carried by the Board.

BENEFITS COMMITTEE

Mr. Harrison reported that the Benefits Committee met on March 30, 2006, at 2:00 p.m. in Committee Room B. Mr. Harrison reported that the Benefits Committee reviewed 5 disability applicants, and approval was granted for 1 member. Mr. Harrison moved that the Board accept the report of the Benefits Committee. The motion was seconded by Mr. Pickering and carried by the Board.

Mr. Harrison presented the following report to the Board:

1. Application for Ordinary Retirement - March, 2006: Total – 8

NO.	NAME	DEPARTMENT
39372	Virginia Liway	University Hospital
40501	Eddie Green	University of Cincinnati
40562	Ivar Norwell	MSD
40915	John Effers	Water Works
41280	David Reynolds	Recreation
42583	Forest Case	MSD
43548	Geraldine Koch	Health
49263	Hildegard Schwarz	Income Tax

2. Application for Retired Members Deaths: Total – 20

3. Application for Active Members Deaths: Total – 3

NO.	NAME	DEPARTMENT
61631	Mary Grimm	Police
61323	Paul Meister	Buildings & Inspections
65249	Michael Hardin	Police

4. Application for Deferred Retirement: Total – 1

NO.	NAME	DEPARTMENT
62606	Steve Redwine	Facility Management

5. Application for Disability Retirement: Total – 1

NO.	NAME	DEPARTMENT
50617	Christine Wells-Hicks	Public Services

Mr. Harrison moved that the Board accept the report of the Benefits Committee. The motion was seconded by Mr. Rachford and carried by the Board.

INVESTMENT COMMITTEE

Mr. Gray reported that the Investment Committee met on March 31, 2006 in order to discuss the status of the investment managers that are currently on the watch list. Although no actions were taken at this meeting, the committee directed the investment consultant to provide additional information on minority owned investment managers that have delivered strong risk-adjusted returns over long-term time periods.

Mr. Walsh also reported that the Committee had approved a recommendation made by both PIMCO and Blackrock to allow them to invest up to 10% of the CRS portfolios that they manage to invest in international bonds. Both managers had indicated that they have

added an average of 15 to 20 basis points of return in recent years for their clients that have given them this authority.

SECRETARY'S REPORT

Mr. Gray reported that as of February 28, 2006 the asset level of the fund was \$2.47 billion, an increase of 1.92% from the \$2.42 billion held at the beginning of the year. Mr. Gray also reported that the allocations for each asset class are all within the acceptable ranges of the new interim target allocations.

Mr. Walsh reported that as of mid-March, both domestic and international equities were slightly above their target allocations. Thus, funds were withdrawn from managers in both of those asset classes in order to meet the April 1, 2006 pension payroll.

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 81
2. Resolution for Return of Contribution & Deaths of Pensioned Members
Total: – 61 Amount: \$276,197.35
3. Resolution for Loans to Members – Total: 43 Amount: \$470,578.49
4. Resolution for Deaths of Pensioned Members – Amount: 23
5. Resolution for Members to Purchase Military Service Credit: 3

The Secretary submitted the following vouchers for payment:

PAYEE	AMOUNT
Mercer Human Resource Consulting – Professional Services Rendered	\$19,962.00
Lee Personnel Inc. – Temporary Personnel Services	\$1,574.01
Paul T. Hogya, MD – Professional Services Rendered	\$845.00
Ohio Public Employees Retirement System – Reciprocity Transfers	\$235,820.02
State Teachers Retirement System – Reciprocity Transfers	\$8,101.75
Ohio Police & Fire Pension Fund – Reciprocity Transfers	\$24,058.31
The Wall Street Journal – 2-yr. subscription for Retirement System	\$468.00
ABS Business Products – Monthly Rental Base Rate for Copier	\$180.60
Lee Personnel, Inc. – Temporary Personnel Services	\$1,144.18
Paul T. Hogya, MD – Professional Services Rendered	\$3,385.00
Lee Personnel, Inc – Temporary Personnel Services	\$682.00
Business Information Solutions Inc. – Storage of CRS files	\$75.32
Ohio Police & Fire Pension Fund – Reciprocity Transfers	\$129,138.58
Mercer Human Resource Consulting – Professional Actuarial Services	\$32,902.00
Lee Personnel, Inc. – Temporary Personnel Services	\$1,128.01
Communications Technology Services – For Telephones Services for 1 st Qtr. 2006	\$1,116.65
Cincinnati Bar Association – Notary Renewal for F. Mitchell	\$44.73
Lee Personnel, Inc. – Temporary Personnel Services	\$1,653.40
City of Cincinnati – Printing Services	\$6,384.03
Westin Diplomat Hotel – Lodging for J. Harrison attending conference	\$1,735.93

Westin Diplomat Hotel – Lodging for M. Rachford attending conference	\$1,735.93
Joe Harrison – Reimbursement for Per Diem during conference	\$268.00
Michael Rachford – Reimbursement for Per Diem during conference	\$268.00

The Secretary reported that at the close of business March 31, 2006, there was in the Treasury to the credit of the Retirement System the amount of \$2,800,243.98.

Asset Valuation:

- December 31, 2005: \$2.42 billion
- February 28 2006: \$2.47 billion
- YTD Increase (Decrease): \$1.92%

Current Asset Allocation: (Interim Policy Objective)

- Domestic Equity: 51.7% (52.7%)
- International: 17.2% (16.9%)
- Fixed Income: 29.6% (29.5%)
- Alternative Assets/Treasury Cash: 1.5% (0.9%)

PENDING BUSINESS

Mr. Radford reported that Ms. Margaret Allen, a member of the Civil Service Commission for seven years and a practicing attorney, would fill the vacant Civil Service Representative position on the Board of Trustees. Mr. Radford commented that Ms. Allen could not be present for today's meeting, but should be present at the May meeting.

Mr. Radford announced that the committee assignments for 2006 would remain the same as the 2005 assignments, except Mr. Rager would replace Ms. Lemmie on the Investment Committee. Mr. Radford had already assigned Mr. Gray to the Investment Committee as well as the Benefits Committee to replace Mr. Moller who recently retired from City service.

Mr. Gray commented that committee members need to make an effort to attend these committee meetings as both the Benefits Committee and the Investment Committee has had some difficulties in having a quorum at recent meetings. Mr. Radford commented that attending to City business sometimes takes precedence over these committee meetings, forcing some Board members to miss the meetings. Mr. Radford asked the retirement staff to contact the committee members just before the meetings to remind them of the meeting.

INFORMATIONAL ITEMS

Mr. Walsh reported that the annual members statements for 2005 were mailed out to active members the last week of March 2006. Additional information included in the 2005 statements was a more detailed explanation of the retirement benefit options as well as an explanation of the "Twenty-year Option."

The retirement staff distributed a memo from Mr. Rager that designates Ms. Connie Roesch, Assistant Finance Director, as his proxy for the CRS Board.

Mr. Kevin Shepard, a retired member of the CRS, presented a letter which requested the Board not go forward with any plan reforms until the release of the 2005 State audit of the City's financial statement and management control review. Mr. Shepard indicated that the State audit should be released in September 2006.

NEW BUSINESS

Mr. Radford suggested that the Board use a third-party to prepare a survey of public pension funds. The survey would compare the pension and healthcare benefits and the contribution rates of the CRS to the benefits package and contribution rates of other public pension plans. Mr. Radford commented that this would help educate the Board as well as the members as to the overall quality of the benefits package provided by the CRS.

Mr. Pickering presented the following motion to the Board:

I move that the Retirement Office issue a Request for Qualifications (RFQ) for an Investment and Actuarial Consultant for the Cincinnati Retirement System. The investment Committee should make a recommendation to the Board for this professional service contract upon completion of the RFQ.

Mr. Radford commented that he thinks it is a good practice to conduct these types of service provider reviews every five years or so in order to give the Board a better understanding of the types of professional services that are available.

The motion was seconded by Mr. Ryder and carried by the Board.

ADJOURNMENT

Upon request of Mr. Gray for a motion to adjourn, the motion was made by Mr. Pickering, seconded by Mr. Ryder, and carried by the Board. The meeting was adjourned at approximately 2:00 p.m.